



# *Action for Warm Homes*

Northern Ireland

**National Energy Action NI Submission to the  
Northern Ireland Affairs Committee**

**Inquiry**

**Implications of the EU Withdrawal agreement and the  
backstop for Northern Ireland**

**January 2019**

## About NEA

NEA is the national fuel poverty charity working to secure affordable warmth for disadvantaged energy consumers. NEA's strategic aims include influencing and increasing strategic action against fuel poverty; developing and progressing solutions to improve access to energy efficiency products, advice and fuel poverty related services in UK households and enhancing knowledge and understanding of energy efficiency and fuel poverty.

NEA seeks to meet these aims through a wide range of activities including policy analysis and development to inform our campaigning work, rational and constructive dialogue with decision-makers including regulatory and consumer protection bodies, relevant Government Departments, the energy industry, local and national government and we develop practical initiatives to test and demonstrate the type of energy efficiency programmes required to deliver affordable warmth.

NEA is primarily concerned with energy policy whilst maintaining a watching brief on social justice policies including income inequalities and levels of poverty in Northern Ireland.

Protecting vulnerable customers is our key aim so we work both reactively and proactively to ensure policy makers and regulators recognise the needs of the vulnerable in its widest sense. With tighter household budgets it is more important than ever that consumers are getting the best deal. Paying for domestic energy makes up a substantial portion of total household expenditure, so it is of specific concern to us but is often relegated in the ever-busy policy environment.

## Background

Based on the 2016 House Condition Survey, Northern Ireland has a rate of fuel poverty at 22%. It is also estimated that there are approximately 43,000 households in extreme fuel poverty which means they need to spend over 15%+ of their total income to heat their homes. Additionally, one in five households in Northern Ireland are living in relative poverty and 19% of working age adults in the private rented sector spend more than a third of their income on housing<sup>1</sup>.

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<sup>1</sup> Joseph Rowntree Foundation, Poverty in Northern Ireland, 2018

The cold kills, and between August 2017 — July 2018 there were 1,500 excess winter deaths in Northern Ireland. According to the World Health Organisation (WHO) a third of these deaths are directly attributable to living in cold damp homes.

Additionally, and unique to Northern Ireland, 68% of all households are reliant on home heating oil, a non-regulated fuel. This leaves many households in a precarious position and we have key concerns that this industry needs some form of oversight to ensure that vulnerable consumers are protected, competition is working and there is improved trust in the market. At present, we are concerned and have anecdotal evidence that all of the above have been compromised to some extent across Northern Ireland.

Furthermore, we expect that due to the consequences related to Brexit, including the falling pound and the recent increase in wholesale costs which will have negative consequences for many in Northern Ireland especially those reliant on domestic home heating oil. Recent increases have demonstrated that already, prices are rising steadily.

NEA is concerned with the ramifications in the energy market and either deal scenario. As the political events continue to play out it is impossible to envisage what the final arrangement will look like. Northern Ireland and the Republic of Ireland have existing reciprocal agreements comprising of a single energy market.

The energy market is already subject to global impact but the unique situation in Northern Ireland and Republic of Ireland could be negatively affected in the future. Energy Law experts have voiced a genuine concern on the future of the integrated single electricity market within the island of Ireland if Brexit is mismanaged<sup>2 3</sup>.

These concerns in the areas currently within the realm of uncertainty could have negative implications in the case of no deal and have a knock-on effect on energy customers and the fuel poor.

We would ask for the Committee to consider the precarious nature of the island status in relation to energy needs.

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<sup>2</sup> <https://theconversation.com/electricity-bills-could-rise-if-brexit-threatens-northern-irelands-unique-energy-agreement-with-ireland-106269>

<sup>3</sup> <http://blogs.lse.ac.uk/euoppblog/2018/08/09/an-electric-fence-assessing-the-impact-of-brexit-on-the-single-electricity-market-in-ireland/>

We would also like consideration to be given to the lower household incomes in Northern Ireland, there is a high level of state support required with 59% of all households receiving some form of state support and 24% requiring a means tested benefit. Over 300,000 households will be affected by the full impact of welfare reforms. There is currently a mitigations package which will end in March 2020 leaving many low-income households facing a significant drop in income. This cohort will also be hit hardest by any rises in the cost of fuel and household essentials.

We commend the committee for conducting a thorough inquiry into one of the most significant legislative changes in the UK.

## Appendix: Fuel Poverty Overview

- Fuel Poverty is the nexus of 3 factors; low income, high energy price and energy inefficiency.
- Fuel Poverty has multiple consequences including mental and physical health impacts.
- 1,500<sup>4</sup> excess winter deaths occurred across Northern Ireland in 2017-2018 with 30% attributable to living in cold homes<sup>5</sup>.
- Improving the energy efficiency of the house is the most effective way of reducing fuel poverty, alongside maximising income and reducing the cost of energy to the householder.

The latest Northern Ireland Housing Executive House Condition Survey was released in May 2018 and provides an overview of the housing stock in Northern Ireland, as well as the latest fuel poverty statistics.

### Key findings:

- There are approximately 780,000 domestic dwellings in Northern Ireland.
- Owner Occupier is the largest tenure at 63% with the Private Rented sector and Social Housing sector at 17% and 16% respectively.
- **Fuel Poverty decreased to 22%, 160,000 households.**
- **The mean SAP rating improved from 59.63 in 2011 to 64.84.**
- 99% of dwellings had central heating.
- Oil remains the largest type of heating source at 68% of households.
- More than half (52%) of households living in old properties (Pre-1919) were living in fuel poverty.
- 55% of households living in fuel poverty had an annual income of less than £10,399.

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<sup>4</sup> <https://www.nisra.gov.uk/publications/excess-winter-mortality-201718>

<sup>5</sup> [http://www.euro.who.int/data/assets/pdf\\_file/0003/142077/e95004.pdf](http://www.euro.who.int/data/assets/pdf_file/0003/142077/e95004.pdf)